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EXAMINER	
KANERVO, VIRPI H	
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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	10/811,247	WOEBER, ANDREW K.	
	Examiner	**Art Unit**	
	VIRPI H. KANERVO	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE _3_ MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on _____.

2a)☐ This action is **FINAL**. 2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) _1-29_ is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) _1-29_ is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☒ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _03/26/2004 and 01/26/2007_.

4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 112

1. The following is a quotation of the ¶ 2 of 35 U.S.C. § 112:

> The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1-29 are rejected under 35 U.S.C. § 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 1, 13, 21, and 22, all independent claims, recite a limitation "a significant yield." The specification explains that "in various embodiments of the present invention, the significant yield is in the range greater than approximately 5%." These recitations do not make it clear what the significant yield is. Therefore, independent claims 1, 13, 21, and 22, are all rejected under 35 U.S.C. § 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Claims 2-12, claims 14-20, and claims 23-29, depend from claims 1, 13, and 22, respectively. Therefore, they are all also rejected under 35 U.S.C. § 112, ¶ 2, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. Examiner will

consider the recitation of the claims 1, 13, 21, and 22, to read “a yield” for the purpose of the further examination of the application.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. § 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

4. Claims 1-12, 13-20, and 22-29, are rejected under 35 U.S.C. § 101 because the claimed invention is directed to non-statutory subject matter.

As to claims 1-12: Claim 1 is an independent claim, and it is directed to “a unit,” which is a financial product. A Financial Product is non-statutory subject matter, *i.e.* it is **not** process, machine, manufacture, composition of matter, or any new and useful improvement thereof. Therefore, claim 1 is rejected. Claims 2-12 all depend from claim 1. None of the dependent claims correct the non statutory subject matter in claim 1. Therefore, they all are also rejected for being directed to non-statutory subject matter. Examiner will consider the claims 1-12 to be directed to the method for the purpose of the further examination of the application.

As to claims 13-20 and 22-29: Claims 13 and 22 are independent claims, and they are directed to “a capital structure,” which is a financial product. A Financial Product is non-statutory subject matter, *i.e.* it is **not** process, machine, manufacture, composition of matter, or any new and useful improvement thereof. Therefore, claims 13 and 22 are rejected. Claims 14-20 all depend from claim 13, and Claims 23-29 all depend from claim 22. Therefore, they all are also rejected for being directed to non-statutory subject matter. Examiner will consider the claims 13-20 and 22-29 to be directed to the method for the purpose of the further examination of the application.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. § 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in § 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

6. Claims 1, 10, 12, and 21, are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass (2004/0167849) in view of Lubars (2004/0158480 A1), further in view of Benning (2004/0199451 A1), and further in view of Jones (2004/0039669 A1).

As to claim 1, Yass shows an equity component and a debt component (Yass: Fig. 1, labels 110 and 115); said unit having a significant yield (Yass: page 2, ¶ 22); and said equity component comprised of common stock (Yass: page 3, ¶ 30). Yass does not show said equity component being detachable from said debt component. Lubars shows said equity component being detachable from said debt component (Lubars: page 9, ¶ 101). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass by said equity component being detachable from said debt component of Lubars in order to eliminate of reduce disadvantages and problems associated with previously developed bundling system (Lubars: page 1, ¶ 6). Yass in view of Lubars does not show said debt component having a fixed maturity period of approximately 30 years or less. Benning shows a debt component having a fixed maturity period of approximately 30 years or less (Benning: page 6, ¶ 65). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars by a debt component having a fixed maturity period of approximately 30 years or less of Benning in order to manage the risks associated with securities (Benning: page 3, ¶ 19). Yass in view of Lubars, and further in view of Benning, does not show said debt component being puttable back to an issuer after expiration of a certain put period. Jones shows said debt component being puttable back to an issuer after expiration of a certain put period (Jones: page 4, ¶ 93). It would have been obvious to one of ordinary skill in the art at the time of the invention to have

modified the system of Yass in view of Lubars, and further in view of Benning, by said debt component being puttable back to an issuer after expiration of a certain put period of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 10, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, and further in view of Benning, does not show said debt component being puttable back to said issuer upon failure of said issuer to meet at least one technical covenant. Jones shows said debt component being puttable back to said issuer upon failure of said issuer to meet at least one technical covenant (Jones: page 5, ¶ 97). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, and further in view of Benning, by said debt component being puttable back to said issuer upon failure of said issuer to meet at least one technical covenant of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 12, Yass in view of Lubars, further in view of Benning, and further in view of Jones shows all the elements of claim 1. Yass in view of Lubars, and further in view of Benning, does not show said debt component including a coupon paid on a quarterly basis. Jones shows said debt component including a

coupon paid on a quarterly basis (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, and further in view of Benning, by said debt component including a coupon paid on a quarterly basis of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 21, Yass shows structuring a unit comprising an equity component and a debt component (Yass: Fig. 1, labels 110 and 115); said unit having a significant yield (Yass: page 2, ¶ 22); said equity component comprised of common stock (Yass: page 3, ¶ 30); and, arranging for issuance of said structured unit (Yass: page 4, ¶ 51). Yass does not show said equity component being detachable from said debt component. Lubars shows said equity component being detachable from said debt component (Lubars: page 9, ¶ 101). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the method of Yass by said equity component being detachable from said debt component of Lubars in order to eliminate of reduce disadvantages and problems associated with previously developed bundling method (Lubars: page 1, ¶ 6). Yass in view of Lubars does not show said debt component having a fixed maturity period of approximately 30 years or less. Benning shows a debt component having a fixed maturity period of approximately 30 years or less (Benning: page 6, ¶ 65). It would have been

obvious to one of ordinary skill in the art at the time of the invention to have modified the method of Yass in view of Lubars by a debt component having a fixed maturity period of approximately 30 years or less of Benning in order to manage the risks associated with securities (Benning: page 3, ¶ 19). Yass in view of Lubars, and further in view of Benning, does not show said debt component being puttable back to an issuer after expiration of a certain put period. Jones shows said debt component being puttable back to an issuer after expiration of a certain put period (Jones: page 4, ¶ 93). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the method of Yass in view of Lubars, and further in view of Benning, by said debt component being puttable back to an issuer after expiration of a certain put period of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

7. Claims 2-6 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of Galant (6,839,686 B1).

As to claim 2, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said certain put period is approximately ten years or less. Galant shows that that said certain

put period is approximately ten years or less (Galant: col. 11, lines 24-25). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said certain put period being approximately ten years or less of Galant in order to construct a yield curve (Galant: col. 11, line 22).

As to claim 3, Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of Galant, shows all the elements of claim 2. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said certain put period is in the range of approximately five years to approximately ten years. Galant shows that said certain put period is in the range of approximately five years to approximately ten years (Galant: col. 11, lines 24-25). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said certain put period being in the range of approximately five years to approximately ten years of Galant in order to construct a yield curve (Galant: col. 11, line 22).

As to claim 4, Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of Galant, shows all the elements of claim 2. Yass in view of Lubars, further in view of Benning, and further in view of Galant, does not

show said debt component being again puttable back to said issuer after expiration of a second put period. Jones shows said debt component being again puttable back to said issuer after expiration of a second put period wherein said second put period is at least five years after said certain put period (Jones: page 4, ¶ 93). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Galant, by said debt component being puttable back to said issuer after expiration of a second put period wherein said second put period is at least five years after said certain put period of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 5, Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of Galant, shows all the elements of claim 4. Yass in view of Lubars, further in view of Benning, and further in view of Galant, does not show said debt component being puttable back to said issuer after at least four put periods prior to maturity of said debt component. Jones shows said debt component being puttable back to said issuer after at least four put periods prior to maturity of said debt component (Jones: page 4, ¶ 93). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Galant, by said debt component being puttable back to said

issuer after at least four put periods prior to maturity of said debt component of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 6, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said significant yield is in the range of greater than approximately 5%. Galant shows that said significant yield is in the range of greater than approximately 5% (Galant: Fig. 5). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said significant yield being in the range of greater than approximately 5% of Galant in order to provide tool to identify financial opportunities in the Capital Markets (Galant: col. 1, lines 46-47).

8. Claims 7-9 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of Birle (2004/0006520 A1).

As to claim 7, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, further

in view of Benning, and further in view of Jones, does not show that said debt component further includes an interest deferral period for said issuer of said unit, wherein said interest deferral period is triggered based upon a condition relating to said issuer. Birle shows that said debt component further includes an interest deferral period for said issuer of said unit, wherein said interest deferral period is triggered based upon a condition relating to said issuer (Birle: page 8, ¶ 51). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said debt component further including an interest deferral period for said issuer of said unit, wherein said interest deferral period is triggered based upon a condition relating to said issuer of Birle in order to provide issuers with the ability to deduct an amount for tax purposes that more closely approximates the true economic cost of the financial instrument (Birle: page 1, ¶ 12).

As to claim 8, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said debt component further includes at least one guarantee. Birle shows that said debt component further includes at least one guarantee (Birle: page 8, ¶ 52). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning,

and further in view of Jones, by said debt component further including at least one guarantee of Birle in order to provide issuers with the ability to deduct an amount for tax purposes that more closely approximates the true economic cost of the financial instrument (Birle: page 1, ¶ 12).

As to claim 9, Yass in view of Lubars, further in view of Benning, and further in view of Jones, and further in view of Birle, shows all the elements of claim 8. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said guarantee is provided on a subordinated basis by an operating entity of said issuer of said unit. Birle shows that said guarantee is provided on a subordinated basis by an operating entity of said issuer of said unit (Birle: page 8, ¶ 52). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said guarantee being provided on a subordinated basis by an operating entity of said issuer of said unit of Birle in order to provide issuers with the ability to deduct an amount for tax purposes that more closely approximates the true economic cost of the financial instrument (Birle: page 1, ¶ 12).

9. Claim 11 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Jones, and further in view of official notice.

As to claim 11, Yass in view of Lubars, further in view of Benning, and further in view of Jones, shows all the elements of claim 1. Yass in view of Lubars, further in view of Benning, and further in view of Jones, does not show that said equity component includes a dividend paid on a quarterly basis. Examiner takes official notice that it is notoriously old and well known in the art that said equity component includes a dividend paid on a quarterly basis. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Jones, by said equity component including a dividend paid on a quarterly basis in order to provide for enhanced flexibility for participating investors.

10. Claims 13 and 18 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Iversen (2004/0044620 A1), and further in view of Takada (2002/0106613 A1).

As to claim 13, Yass shows an issuer having at least one unit issued to at least one of a unit investor and a shareholder of said issuer (Yass: page 4, ¶ 51); said issued unit capable of being listed on at least one exchange (Yass: page 4, ¶ 49), said issued unit including an equity component and a debt component

(Yass: Fig. 1, labels 110 and 115); said unit having a significant yield (Yass: page 2, ¶ 22); and said equity component comprised of common stock (Yass: page 3, ¶ 30). Yass does not show said equity component being detachable from said debt component. Lubars shows said equity component being detachable from said debt component (Lubars: page 9, ¶ 101). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass by said equity component being detachable from said debt component of Lubars in order to eliminate of reduce disadvantages and problems associated with previously developed bundling system (Lubars: page 1, ¶ 6). Yass in view of Lubars does not show said debt component having a fixed maturity period of approximately 30 years or less. Benning shows a debt component having a fixed maturity period of approximately 30 years or less (Benning: page 6, ¶ 65). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars by a debt component having a fixed maturity period of approximately 30 years or less of Benning in order to manage the risks associated with securities (Benning: page 3, ¶ 19). Yass in view of Lubars, and further in view of Benning, does not show said shareholder having a holdback equity ownership interest in said issuer of at least approximately 10% of outstanding equity of said issuer. Iversen shows said shareholder having a holdback equity ownership interest in said issuer (Iversen: page 5, ¶ 22). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, and

further in view of Benning, by said shareholder having a holdback equity ownership interest in said issuer of Iversen in order to provide liquidity to the issuer who has provided value to the holder (Iversen: page 1, ¶ 8). Yass in view of Lubars, further in view of Benning, and further in view of Iversen, does not show that the interest by said shareholder is at least approximately 10% of outstanding equity of said issuer. Takada shows that the interest by said shareholder is at least approximately 10% of outstanding equity of said issuer (Takada: page 6, ¶ 62). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Iversen, by the interest by said shareholder being at least approximately 10% of outstanding equity of said issuer of Takada in order to provide a management accounting system considering the time value (Takada: page 3, ¶ 25).

As to claim 18, Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, shows all the elements of claim 13. Yass in view of Lubars, further in view of Benning, and further in view of Takada, does not show that at least a portion of said heldback equity ownership interest is exchangeable for an amount of said issued unit. Iversen shows that at least a portion of said heldback equity ownership interest is exchangeable for an amount of said issued unit (Iversen: page 3, ¶ 32). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of

Yass in view of Lubars, further in view of Benning, and further in view of Takada, by at least a portion of said heldback equity ownership interest being exchangeable for an amount of said issued unit of Iversen in order to provide liquidity to the issuer who has provided value to the holder (Iversen: page 1, ¶ 8).

11. Claims 14 and 16 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols (2005/0246267 A1).

As to claim 14, Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, shows all the elements of claim 13. Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, does not show that said shareholder is a shareholder of said issuer prior to issuance of said issued unit. Nichols shows that said shareholder is a shareholder of said issuer prior to issuance of said issued unit (Nichols: page 5, ¶ 90). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, by said shareholder being a shareholder of said issuer prior to issuance of said issued unit of Nichols in order to create life-long business relationship (Nichols: page 5, ¶ 90).

As to claim 16, Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, shows all the elements of claim 13. Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, does not show an original entity associated with said issuer, wherein said shareholder is a shareholder of said original entity prior to issuance of said issued unit. Nichols shows an original entity associated with said issuer, wherein said shareholder is a shareholder of said original entity prior to issuance of said issued unit (Nichols: page 5, ¶ 90). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, by said shareholder being a shareholder of said original entity prior to issuance of said issued unit of Nichols in order to create life-long business relationship (Nichols: page 5, ¶ 90).

12. Claims 15 and 17 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, further in view of Nichols, and further in view of Sarabanchong (2003/0093351 A1).

As to claim 15, Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, further in view of Nichols, shows all the elements of claim 14. Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols, does not show that said shareholder heldback equity ownership interest represents an aggregate interest of a plurality of said shareholders. Sarabanchong shows that said shareholder heldback equity ownership interest represents an aggregate interest of a plurality of said shareholders (Sarabanchong: page 1, ¶ 7). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols, by said shareholder heldback equity ownership interest representing an aggregate interest of a plurality of said shareholders of Sarabanchong in order to determine the value associated with the financial instrument (Sarabanchong: page 1, ¶ 5).

As to claim 17, Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols, shows all the elements of claim 16. Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols, does not show that said shareholder heldback equity ownership interest represents an aggregate interest of a plurality of said shareholders. Sarabanchong shows that

said shareholder heldback equity ownership interest represents an aggregate interest of a plurality of said shareholders (Sarabanchong: page 1, ¶ 7). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Nichols, by said shareholder heldback equity ownership interest representing an aggregate interest of a plurality of said shareholders of Sarabanchong in order to determine the value associated with the financial instrument (Sarabanchong: page 1, ¶ 5).

13. Claim 19 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of official notice.

As to claim 19, Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, shows all the elements of claim 13. Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, does not show that said equity component includes a dividend paid on a quarterly basis. Examiner takes official notice that it is notoriously old and well known in the art that said equity component includes a dividend paid on a quarterly basis. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in

view of Lubars, further in view of Benning, and further in view of Takada, by said equity component including a dividend paid on a quarterly basis in order to provide for enhanced flexibility for participating investors.

14. Claim 20 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Iversen, further in view of Takada, and further in view of Jones.

As to claim 20, Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, shows all the elements of claim 13. Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, does not show that said debt component includes a coupon paid on a quarterly basis. Jones shows that said debt component includes a coupon paid on a quarterly basis (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Iversen, and further in view of Takada, by said debt component including a coupon paid on a quarterly basis of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

15. Claim 22 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Seaman (2004/0098327 A1), and further in view of Paglin (2003/0177092 A1).

As to claim 22, Yass shows an issuer having at least one unit issued to at least one of a unit investor and a shareholder of said issuer (Yass: page 4, ¶ 51); said issued unit capable of being listed on at least one exchange (Yass: page 4, ¶ 49), said issued unit including an equity component and a debt component (Yass: Fig. 1, labels 110 and 115); said unit having a significant yield (Yass: page 2, ¶ 22); said equity component comprised of common stock (Yass: page 3, ¶ 30); said held debt interest is in the form of at least one debt instrument of said issuer including terms substantially similar to terms associated with said debt component, and wherein said issuer debt comprises said at least one debt instrument and said debt component of said issued unit (Yass: page 3, ¶ 30). Yass does not show said equity component being detachable from said debt component. Lubars shows said equity component being detachable from said debt component (Lubars: page 9, ¶ 101). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass by said equity component being detachable from said debt component of Lubars in order to eliminate of reduce disadvantages and problems associated

with previously developed bundling system (Lubars: page 1, ¶ 6). Yass in view of Lubars does not show said debt component having a fixed maturity period of approximately 30 years or less. Benning shows a debt component having a fixed maturity period of approximately 30 years or less (Benning: page 6, ¶ 65). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars by a debt component having a fixed maturity period of approximately 30 years or less of Benning in order to manage the risks associated with securities (Benning: page 3, ¶ 19). Yass in view of Lubars, and further in view of Benning, does not show a third party debt holder having a held debt interest of at least approximately 10% of issuer debt. Seaman shows a third party debt holder having a held debt interest of at least approximately 10% of issuer debt (Seaman: page 5, ¶ 51). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, and further in view of Benning, by a third party debt holder having a held debt interest of at least approximately 10% of issuer debt of Seaman in order to the holders of the bonds to be able to exchange their bonds for a conversion payment at the maturity (Seaman: page 4, ¶ 47). Yass in view of Lubars, further in view of Benning, and further in view of Seaman, does not show that said third party debt holder is not said unit investor and is not said shareholder. Paglin shows that said third party debt holder is not said unit investor and is not said shareholder (Paglin: page 1, ¶ 3). It would have been obvious to one of ordinary skill in the art

at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, and further in view of Seaman, by third party debt holder being not said unit investor and being not said shareholder of Paglin in order to protect the transferred assets from later interference by the third parties (Paglin: page 1, ¶ 3).

16. Claim 23 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Seaman, further in view of Paglin, and further in view of Sarabanchong.

As to claim 23, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said held debt interest of said third party debt holder represents an aggregate interest of a plurality of said third party debt holders. Sarabanchong shows that said held debt interest of said third party debt holder represents an aggregate interest of a plurality of said third party debt holders (Sarabanchong: page 1, ¶ 7). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said held debt interest of said third party debt holder representing an aggregate interest of a plurality of said third party debt holders of

Sarabanchong in order to determine the value associated with the financial instrument (Sarabanchong: page 1, ¶ 5).

17. Claims 24-25, 27, and 29, are rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Seaman, further in view of Paglin, and further in view of Jones.

As to claim 24, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said substantially similar terms include coupon and maturity period. Jones shows that said substantially similar terms include coupon and maturity period (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said substantially similar terms including coupon and maturity period of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 25, Yass in view of Lubars, further in view of Benning, further in view of Seaman, further in view of Paglin, and further in view of Jones, shows all the

elements of claim 24. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said coupon is paid on a quarterly basis. Jones shows that said coupon is paid on a quarterly basis (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said coupon being paid on a quarterly basis of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 27, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said substantially similar terms include substantially all said terms associated with said debt component except principal amount. Jones shows that said substantially similar terms include substantially all said terms associated with said debt component except principal amount (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said substantially similar terms including substantially all said terms associated with said debt component except principal amount of Jones in

order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

As to claim 29, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said debt component includes a coupon paid on a quarterly basis. Jones shows that said debt component includes a coupon paid on a quarterly basis (Jones: page 2, ¶ 28). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said debt component including a coupon paid on a quarterly basis of Jones in order to perform data processing operations associated with securities and security structures (Jones: page 1, ¶ 2).

18. Claim 26 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Seaman, further in view of Paglin, and further in view of Birle.

As to claim 26, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22.

Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said substantially similar terms include interest deferral period, at least one put option, and at least one guarantee. Birle shows that said substantially similar terms include interest deferral period (Birle: page 8, ¶ 51), at least one put option (Birle: page 7, ¶ 39), and at least one guarantee (Birle: page 8, ¶ 52). It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said substantially similar terms include interest deferral period, at least one put option, and at least one guarantee, of Birle in order to provide issuers with the ability to deduct an amount for tax purposes that more closely approximates the true economic cost of the financial instrument (Birle: page 1, ¶ 12).

19. Claim 28 is rejected under 35 U.S.C. § 103(a) as being unpatentable over Yass in view of Lubars, further in view of Benning, further in view of Seaman, further in view of Paglin, and further in view of official notice.

As to claim 28, Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, shows all the elements of claim 22. Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, does not show that said equity component includes a

dividend paid on a quarterly basis. Examiner takes official notice that it is notoriously old and well known in the art that said equity component includes a dividend paid on a quarterly basis. It would have been obvious to one of ordinary skill in the art at the time of the invention to have modified the system of Yass in view of Lubars, further in view of Benning, further in view of Seaman, and further in view of Paglin, by said equity component including a dividend paid on a quarterly basis in order to provide for enhanced flexibility for participating investors.

Conclusion

20. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Aberman (2006/0218069 A1) discloses financial instruments and methods.

Amberson (2004/0039673 A1) discloses method, system, and computer program product for summarizing an implied volatility surface.

Freund (2006/0059074 A1) discloses synthetic funds having structured notes.

Griffin (2005/0044029 A1) discloses hybrid securities having protection against event risk using uncorrelated last-to-default baskets.

Kirksey (2003/0028479 A1) discloses collaterally secured debt obligation and method for creating same.

Sweeting (2005/0086152 A1) discloses system and method for providing futures contract in a financial market environment.

21. Any inquiry concerning this communication or earlier communications from the examiner should be directed to VIRPI H. KANERVO whose telephone number is (571)272-9818. The examiner can normally be reached on Monday - Thursday, 8:00 a.m. - 5:00 p.m., EST. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander G. Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

22. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR

only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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